

# **Exhibit \_ (ING-2A)**

**Originally Filed As Exhibit \_ (ING-1) to  
Direct Testimony of Iris N. Griffin  
on Behalf of  
South Carolina Electric & Gas Company in  
Docket No. 2017-370-E**

SOUTH CAROLINA ELECTRIC & GAS COMPANY  
OPERATING EXPERIENCE - TOTAL ELECTRIC  
12 MONTHS ENDED DECEMBER 31, 2017

Line No.	Description	(\$000's)		
		Regulatory Per Books	Pro-Forma Adjustments	Total As Adjusted
	(Col. 1)	(Col. 2)	(Col. 3)	(Col. 4)
1	<u>Operating Revenues</u>	<u>2,664,426,229</u>	<u>(97,521,338)</u>	<u>2,566,904,891</u>
2	<u>Operating Expenses</u>			
3	O&M Expenses - Fuel	657,825,785	-	657,825,785
4	O&M Expenses - Other	586,529,178	(19,672,209)	566,856,969
5	Depreciation & Amortization Expenses	275,631,254	169,732,170	445,363,424
6	Taxes Other Than Income	213,490,994	7,102,333	220,593,327
7	Total Income Taxes	<u>241,317,794</u>	<u>(163,384,327)</u>	<u>77,933,467</u>
8	Total Operating Expenses	<u>1,974,795,005</u>	<u>(6,222,033)</u>	<u>1,968,572,972</u>
9	Operating Return	689,631,224	(91,299,305)	598,331,919
10	Customer Growth	2,779,242	(372,681)	2,406,561
11	Interest on Customer Deposits	<u>(1,127,281)</u>	<u>-</u>	<u>(1,127,281)</u>
12	<u>Return</u>	<u>691,283,185</u>	<u>(91,671,986)</u>	<u>599,611,199</u>
13	<u>Rate Base</u>			
14	Plant in Service	10,196,438,409	(5,588,969)	10,190,849,440
15	Reserve for Depreciation	<u>3,903,784,244</u>	<u>6,884,441</u>	<u>3,910,668,685</u>
16	Net Plant	6,292,654,165	(12,473,410)	6,280,180,756
17	Construction Work in Progress	340,584,501	(66,413)	340,518,088
18	Deferred Debits / Credits	2,266,639,639	(143,348,565)	2,123,291,074
19	Total Working Capital	(102,187,532)	(2,459,026)	(104,646,558)
20	Materials & Supplies	434,824,964	(108,698,961)	326,126,003
21	Accumulated Deferred Income Taxes	<u>(799,140,723)</u>	<u>(6,000,000)</u>	<u>(805,140,723)</u>
22	Total Rate Base	<u>8,433,375,014</u>	<u>(273,046,375)</u>	<u>8,160,328,640</u>
23	<u>Rate of Return</u>	8.20%		7.35%

SOUTH CAROLINA ELECTRIC & GAS COMPANY  
OPERATING EXPERIENCE - RETAIL ELECTRIC  
12 MONTHS ENDED DECEMBER 31, 2017

Line No.	Description	(\$000's)		
		Regulatory Per Books	Pro-Forma Adjustments	Total As Adjusted
	(Col. 1)	(Col. 2)	(Col. 3)	(Col. 4)
1	<u>Operating Revenues</u>	<u>2,611,119,429</u>	<u>(97,521,338)</u>	<u>2,513,598,091</u>
2	<u>Operating Expenses</u>			
3	O&M Expenses - Fuel	631,607,100	-	631,607,100
4	O&M Expenses - Other	572,298,891	(19,464,165)	552,834,726
5	Depreciation & Amortization Expenses	269,337,754	169,665,638	439,003,392
6	Taxes Other Than Income	208,740,981	6,947,364	215,688,345
7	Total Income Taxes	<u>248,572,997</u>	<u>(163,410,561)</u>	<u>85,162,436</u>
8	Total Operating Expenses	<u>1,930,557,723</u>	<u>(6,261,724)</u>	<u>1,924,295,999</u>
9	Operating Return	680,561,706	(91,259,614)	589,302,092
10	Customer Growth	2,779,242	(372,681)	2,406,561
11	Interest on Customer Deposits	<u>(1,127,281)</u>	<u>-</u>	<u>(1,127,281)</u>
12	<u>Return</u>	<u>682,213,667</u>	<u>(91,632,295)</u>	<u>590,581,372</u>
13	<u>Rate Base</u>			
14	Plant in Service	9,980,706,786	(5,471,148)	9,975,235,638
15	Reserve for Depreciation	<u>3,814,648,968</u>	<u>6,676,452</u>	<u>3,821,325,420</u>
16	Net Plant	6,166,057,818	(12,147,600)	6,153,910,218
17	Construction Work in Progress	330,655,032	(64,548)	330,590,484
18	Deferred Debits / Credits	2,187,794,639	(145,132,676)	2,042,661,963
19	Total Working Capital	(106,815,602)	(2,433,021)	(109,248,623)
20	Materials & Supplies	419,863,904	(104,296,653)	315,567,251
21	Accumulated Deferred Income Taxes	<u>(782,232,866)</u>	<u>(6,000,000)</u>	<u>(788,232,866)</u>
22	Total Rate Base	<u>8,215,322,925</u>	<u>(270,074,498)</u>	<u>7,945,248,426</u>
23	<u>Rate of Return</u>	8.30%		7.43%

SOUTH CAROLINA ELECTRIC & GAS COMPANY  
OPERATING EXPERIENCE - RETAIL ELECTRIC  
12 MONTHS ENDED DECEMBER 31, 2017

		(\$000's)	
Line No.	Description	Retail As Adjusted	Total After Hypothetical Increase
	(Col. 1)	(Col. 2)	(Col. 3)
1	<u>Operating Revenues</u>	2,513,598,091	2,592,696,807
2	<u>Operating Expenses</u>		
3	O&M Expenses - Fuel	631,607,100	631,607,100
4	O&M Expenses - Other	552,834,726	552,834,726
5	Depreciation & Amortization Expenses	439,003,392	439,003,392
6	Taxes Other Than Income	215,688,345	216,041,679
7	Total Income Taxes	85,162,436	104,809,409
8	Total Operating Expenses	1,924,295,999	1,944,296,306
9	Operating Return	589,302,092	648,400,501
10	Customer Growth	2,406,561	2,647,856
11	Interest on Customer Deposits	(1,127,281)	(1,127,281)
12	<u>Return</u>	590,581,372	649,921,076
13	<u>Rate Base</u>		
14	Plant in Service	9,975,235,638	9,975,235,638
15	Reserve for Depreciation	3,821,325,420	3,821,325,420
16	Net Plant	6,153,910,218	6,153,910,218
17	Construction Work in Progress	330,590,484	330,590,484
18	Deferred Debits / Credits	2,042,661,963	2,042,661,963
19	Total Working Capital	(109,248,623)	(109,248,623)
20	Materials & Supplies	315,567,251	315,567,251
21	Accumulated Deferred Income Taxes	(788,232,866)	(788,232,866)
22	Total Rate Base	7,945,248,426	7,945,248,426
23	<u>Rate of Return</u>	7.43%	8.18%
23	<u>Return on Equity</u>	8.83%	10.25%

\*No rate case is proposed in this proceeding. The analysis of the hypothetical rate increase is calculated to show the size of the revenue shortfall under this proposal.

**SOUTH CAROLINA ELECTRIC & GAS COMPANY  
ACCOUNTING & PRO FORMA ADJUSTMENTS  
TOTAL ELECTRIC  
OPERATING EXPERIENCE  
TWELVE MONTHS ENDED DECEMBER 31, 2017**

<u>ADJ. #</u>	<u>DESCRIPTION</u>	<u>REVENUES</u>	<u>O &amp; M EXPENSES</u>	<u>DEPREC. &amp; AMORT. EXPENSE</u>	<u>TAXES INCOME</u>	<u>STATE @ 5%</u>	<u>FEDERAL @ 35%</u>	<u>PLANT IN SERVICE</u>	<u>ACCUM. DEPREC.</u>	<u>CWIP</u>	<u>MATERIALS &amp; SUPPLIES</u>	<u>ADIT</u>	<u>DEFERRED DBT/CRDT</u>	<u>WORKING CAPITAL</u>
1	WAGES, BENEFITS & PAYROLL TAXES		3,116,709		220,420	(166,856)	(1,109,596)							389,589
2	INCENTIVE COMPENSATION ADJUSTMENT		(881,515)		(148,052)	51,478	342,331							(110,189)
3	ANNUALIZE HEALTH CARE		2,612,162			(130,608)	(868,544)							326,520
4	REMOVE EMPLOYEE CLUBS			(135,767)		6,788	45,143	(5,555,540)	(2,185,461)					
5	PROPERTY RETIREMENTS					-	-	(99,842)	(99,842)					
6	NEW NUCLEAR ADJUSTMENTS	(84,733,640)	(12,296,946)	166,350,000	(1,223,815)	(11,878,144)	(78,989,657)				(123,018,743)		(166,196,075)	(1,537,118)
7	CWIP					-	-	66,413		(66,413)				
8	ANNUALIZE DEPRECIATION BASED ON CURRENT			3,517,937		(175,897)	(1,169,714)		9,169,744					
9	ADJUST PROPERTY TAXES				8,310,903	(415,545)	(2,763,375)							
10	ANNUALIZE INSURANCE EXPENSE		(585,605)			29,280	194,714							(73,201)
11	OPEB		203,185			(10,159)	(67,559)						(152,490)	25,398
12	TAX EFFECT OF ANNUALIZED INTEREST					376,892	2,506,333							
13	REMOVE AMOUNTS ASSOCIATED WITH DSM	(36,787,698)	(11,840,199)		(164,331)	(1,239,158)	(8,240,404)							(1,480,025)
14	FOSSIL FUEL INVENTORY					-	-				14,319,782			
15	DOMINION RATE BUY DOWN	136,000,000			607,512	6,769,624	45,018,002							
16	TAX REFORM - CURRENT EXPENSE	(60,000,000)			(268,020)	(2,986,599)	(56,745,381)							
17	TAX REFORM - EXCESS DEFERRED AMORTIZATION	(52,000,000)			(232,284)	(2,588,386)	(49,179,330)					(6,000,000)	23,000,000	
<b>TOTAL</b>		(97,521,338)	(19,672,209)	169,732,170	7,102,333	(12,357,290)	(151,027,037)	(5,588,969)	6,884,441	(66,413)	(108,698,961)	(6,000,000)	(143,348,565)	(2,459,026)

SOUTH CAROLINA ELECTRIC & GAS COMPANY  
ACCOUNTING & PRO FORMA ADJUSTMENTS  
RETAIL ELECTRIC  
OPERATING EXPERIENCE  
TWELVE MONTHS ENDED DECEMBER 31, 2017

ADJ. #	DESCRIPTION	REVENUES	O & M EXPENSES	DEPREC. & AMORT. EXPENSE	TAXES OTHER THAN INCOME	STATE INCOME TAX @ 5%	FEDERAL INCOME TAX @ 35%	PLANT IN SERVICE	ACCUM. DEPREC.	CWIP	MATERIALS & SUPPLIES	ADIT	DEFERRED DBT/CRDT	WORKING CAPITAL
1	WAGES, BENEFITS & PAYROLL TAXES		3,032,558		214,469	(162,351)	(1,079,637)							379,070
2	INCENTIVE COMPENSATION ADJUSTMENT		(857,714)		(144,055)	50,088	333,088							(107,214)
3	ANNUALIZE HEALTH CARE		2,541,634			(127,082)	(845,093)							317,704
4	REMOVE EMPLOYEE CLUBS			(132,667)		6,633	44,112	(5,437,998)	(2,135,560)	-				-
5	PROPERTY RETIREMENTS							(97,698)	(97,536)					
6	NEW NUCLEAR ADJUSTMENTS	(84,733,640)	(11,964,928)	166,350,000	(1,200,992)	(11,895,886)	(79,107,642)				(118,036,484)		(167,984,303)	(1,495,616)
7	CWIP							64,548		(64,548)				
8	ANNUALIZE DEPRECIATION BASED ON CURRENT			3,448,305		(172,415)	(1,146,561)		8,909,548					
9	ADJUST PROPERTY TAXES				8,135,065	(406,753)	(2,704,909)							
10	ANNUALIZE INSURANCE EXPENSE		(573,215)			28,661	190,594							(71,652)
11	OPEB		197,699			(9,885)	(65,735)						(148,373)	24,712
12	TAX EFFECT OF ANNUALIZED INTEREST					372,790	2,479,054							
13	REMOVE AMOUNTS ASSOCIATED WITH DSM	(36,787,698)	(11,840,199)		(164,331)	(1,239,158)	(8,240,404)							(1,480,025)
14	FOSSIL FUEL INVENTORY										13,739,831			
15	DOMINION RATE BUY DOWN	136,000,000			607,512	6,769,624	45,018,002							
16	TAX REFORM - CURRENT EXPENSE	(60,000,000)			(268,020)	(2,986,599)	(56,745,381)							
17	TAX REFORM - EXCESS DEFERRED AMORTIZATION	(52,000,000)			(232,284)	(2,588,386)	(49,179,330)					(6,000,000)	23,000,000	
	<b>TOTAL</b>	(97,521,338)	(19,464,165)	169,665,638	6,947,364	(12,360,719)	(151,049,842)	(5,471,148)	6,676,452	(64,548)	(104,296,653)	(6,000,000)	(145,132,676)	(2,433,021)

SOUTH CAROLINA ELECTRIC & GAS COMPANY  
COMPUTATION OF PROPOSED INCREASE  
RETAIL ELECTRIC OPERATIONS  
12 MONTHS ENDED DECEMBER 31, 2017

Line No.	Description (Col. 1)	Requested (\$000's) (Col. 2)
1	Jurisdictional Rate Base	7,945,248,426
2	Required Rate of Return	8.18%
3	Required Return	649,921,321
4	Actual Return Earned	590,581,372
5	Required Increase to Return	59,339,949
6	Factor to Remove Customer Growth	1.004084
7	Additional Return Required from Revenue Increase	59,098,606
8	Composite Tax Factor	0.74715
9	Required Revenue Increase	79,098,716
10	Proposed Revenue Increase	79,098,716
Additional Expenses		
11	Gross Receipts Tax @ 0.4467%	353,334
12	State Income Tax @ 5%	3,937,269
13	Federal Income Tax @ 21%	15,709,704
14	Total Taxes	20,000,307
15	Additional Return	59,098,409
16	Additional Customer Growth	241,295
17	Total Additional Return	59,339,704
18	Earned Return	590,581,372
19	Total Return as Adjusted	649,921,076
20	Rate Base	7,945,248,426
21	Rate of Return	8.18%

SOUTH CAROLINA ELECTRIC & GAS COMPANY  
STATEMENT OF FIXED ASSETS - ELECTRIC  
AT DECEMBER 31, 2017

		(\$000's)			
Line No.	Description	Regulatory Per Books	Adjustments	As Adjusted	Allocated to Retail
(Col. 1)		(Col. 2)	(Col. 3)	(Col. 4)	(Col. 5)
Gross Plant in Service					
1	Intangible Plant	78,405,819	-	78,405,819	76,746,944
2	Production	4,706,858,398	40,631	4,706,899,029	4,557,690,330
3	Transmission	1,597,292,477	-	1,597,292,477	1,544,022,773
4	Distribution	3,282,888,427	-	3,282,888,427	3,282,527,309
5	General	203,125,184	(73,086)	203,052,098	198,756,014
6	Common (1)	327,868,104	(5,556,514)	322,311,590	315,492,269
7	Total Gross Plant in Service	10,196,438,409	(5,588,969)	10,190,849,440	9,975,235,638
Construction Work in Progress					
8	Production	91,607,336	(43,631)	91,563,705	88,661,136
9	Transmission	179,302,306	-	179,302,306	173,322,574
10	Distribution	20,352,263	-	20,352,263	20,350,024
11	General	2,161,207	(22,782)	2,138,425	2,093,181
12	Intangible	45,267,595	-	45,267,595	44,309,844
13	Common (1)	1,893,793	-	1,893,793	1,853,726
14	Total Construction Work in Progress	340,584,501	(66,413)	340,518,088	330,590,484
(1) Electric Portion					



SOUTH CAROLINA ELECTRIC & GAS COMPANY  
STATEMENT OF DEPRECIATION RESERVES - ELECTRIC  
AT DECEMBER 31, 2017

		(\$000's)			
Line No.	Description	Regulatory Per Books	Adjustments	As Adjusted	Allocated to Retail
	(Col. 1)	(Col. 2)	(Col. 3)	(Col. 4)	(Col. 5)
1	Production	2,210,492,070	1,296,205	2,211,788,275	2,141,674,586
2	Transmission	362,089,771	6,779,767	368,869,538	356,586,183
3	Distribution	1,029,365,366	1,393,364	1,030,758,730	1,030,645,347
4	General & Intangible Plant	154,852,942	(133,991)	154,718,951	151,186,246
5	Common (1)	<u>146,984,095</u>	<u>(2,450,904)</u>	<u>144,533,191</u>	<u>141,233,058</u>
6	Total	<u>3,903,784,244</u>	<u>6,884,441</u>	<u>3,910,668,685</u>	<u>3,821,325,420</u>
(1) Electric Portion					

SOUTH CAROLINA ELECTRIC & GAS COMPANY  
MATERIALS AND SUPPLIES - ELECTRIC  
AT DECEMBER 31, 2017

		(\$000's)			
Line No.	Description	Regulatory Per Books	Adjustments	As Adjusted	Allocated to Retail
	(Col. 1)	(Col. 2)	(Col. 3)	(Col. 4)	(Col. 5)
	Fuel Stock				
1	Nuclear	253,203,767	(123,018,743)	130,185,024	124,912,530
2	Fossil	<u>44,013,673</u>	<u>14,319,782</u>	<u>58,333,455</u>	<u>55,970,950</u>
3	Total Fuel Stock	297,217,440	(108,698,961)	188,518,479	180,883,480
4	Emission Allowances	636,699	-	636,699	610,913
5	Other Electric Materials and Supplies	<u>136,970,825</u>	<u>-</u>	<u>136,970,825</u>	<u>134,072,858</u>
6	Total	434,824,964	(108,698,961)	326,126,003	315,567,251

DEFERRED DEBITS / CREDITS - ELECTRIC  
AT DECEMBER 31, 2017

7	Environmental	(450,300)	-	(450,300)	(437,683)
8	Wateree Scrubber Deferral - Ratebase Adj	18,082,559	-	18,082,559	17,509,342
9	Abandoned Nuclear Units	3,975,520,191	(1,261,426,366)	2,714,093,825	2,621,000,407
10	FASB 106 Rate Base Reduction	(119,484,881)	(152,490)	(119,637,371)	(116,407,162)
11	Pension Deferral - Rate Base Adj	39,561,677	-	39,561,677	38,493,512
12	Canadys Retirement - Rate Base Adj	78,662,284	-	78,662,284	76,168,689
13	Toshiba Settlement	(1,095,230,291)	1,095,230,291	-	-
14	Tax Deferrals	(630,021,600)	23,000,000	(607,021,600)	(593,665,142)
15	Total	2,266,639,639	(143,348,565)	2,123,291,074	2,042,661,963

SOUTH CAROLINA ELECTRIC & GAS COMPANY  
WORKING CAPITAL INVESTMENT - ELECTRIC  
AT DECEMBER 31, 2017

		(\$000's)			
Line No.	Description	Regulatory Per Books	Adjustments	As Adjusted	Allocated to Retail
(Col. 1)		(Col. 2)	(Col. 3)	(Col. 4)	(Col. 5)
1	Working Cash	118,803,511	(2,459,026)	116,344,485	112,700,615
2	Prepayments	<u>71,342,785</u>	<u>-</u>	<u>71,342,785</u>	<u>71,053,344</u>
3	Total Investor Advanced Funds	190,146,296	(2,459,026)	187,687,270	183,753,959
4	Less: Customer Deposits	(54,413,422)	-	(54,413,422)	(54,413,422)
5	Average Tax Accruals	(226,213,317)	-	(226,213,317)	(227,232,730)
6	Nuclear Refueling	(5,323,281)	-	(5,323,281)	(5,107,688)
7	Injuries and Damages	<u>(6,383,808)</u>	<u>-</u>	<u>(6,383,808)</u>	<u>(6,248,742)</u>
8	Total Working Capital	<u>(102,187,532)</u>	<u>(2,459,026)</u>	<u>(104,646,558)</u>	<u>(109,248,623)</u>

SOUTH CAROLINA ELECTRIC & GAS COMPANY  
WEIGHTED COST OF CAPITAL  
RETAIL ELECTRIC OPERATIONS  
AT DECEMBER 31, 2017

<u>Description</u> (Col. 1)	<u>Pro Forma Amount</u> (Col. 2) \$	<u>Pro Forma</u> <u>Ratio</u> (Col. 3) %	<u>As Adjusted</u>		<u>After Proposed Increase</u>	
			<u>Pro Forma</u> <u>Embedded</u> <u>Cost/Rate</u> (Col. 4) %	<u>Overall</u> <u>Cost/Rate</u> (Col. 5) %	<u>Pro Forma</u> <u>Embedded</u> <u>Cost/Rate</u> (Col. 6) %	<u>Overall</u> <u>Cost/Rate</u> (Col. 7) %
Long Term Debt	4,928,770,000	47.11%	5.86%	2.76%	5.86%	2.76%
Preferred Stock	100,000	0.00%	0.00%	0.00%	0.00%	0.00%
Common Equity	<u>5,533,469,980</u>	<u>52.89%</u>	<b>8.83%</b>	<u>4.67%</u>	<b>10.25%</b>	<u>5.42%</u>
Total	10,462,339,980	100.00%		7.43%		8.18%